



City of Chicago
Richard M. Daley, Mayor

Department of
Procurement Services

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City Records Gains in Minority and Women-owned Business Enterprise Programs in 2006

Dollars Spent to Minority and Women-owned Business Enterprises Increased 55 Percent in 2006

The City of Chicago's commitment to the development and growth of minority and women-owned business enterprise programs has helped lead to increases in the program's participation rate for historically underutilized firms in 2006.

In 2006, 28 percent of city contracts were awarded to minority-owned businesses and 6 percent were awarded to women-owned businesses for a citywide total of 34 percent. This exceeds the citywide goal of 25 percent of contracts for minority-owned businesses and 5 percent for women-owned firms.

"We have responded to the calls for increased inclusion and opportunity expressed by our local, women and minority-owned vendors with aggressive outreach. We are seeing positive results in all areas as we track M/WBE numbers," said Procurement Officer Barbara Lumpkin.

In 2006, Procurement Services awarded a total in excess of \$3.1 billion worth of contracts compared to a total of \$2.0 billion in 2005. Hispanic firms received 12 percent of the contracts in 2006 versus 10 percent in 2005, African American firms received 10 percent in 2006 versus 8 percent in 2005 and Caucasian women and Asian firms each received 6 percent over the last two years.

Procurement Services also worked to pass ordinances in City Council to modify bonding and insurance requirements and raise the personal net worth for M/WBE construction firms from \$750,000 to \$2 million.

"Historically, small and minority-owned vendors struggle to finance projects and operate their businesses. The City Council reforms we've passed are critical because they ease the financial burden many minority, local and women-owned businesses experience by providing more upfront cash to operate and finance projects," said Chief Procurement Officer Lumpkin.

To ensure M/WBE's are receiving the full benefit of newly implemented programs, Procurement Services has expanded its' certification tracking procedures to record and measure actual participation. This new certification and compliance system when fully implemented will track payments made by prime contractors to subcontractors.



"We are looking not only at the vendors chosen as subcontractors, but more importantly at utilization to ensure that all contractors are in full compliance with all City terms and conditions," said Lumpkin.

The Department of Procurement Services continues to find innovative ways to increase opportunities for minority and women-owned participation and eliminate barriers. Going forward, the Department will implement its contract specific goals initiative and break up larger contracts, where appropriate, into manageable "bundles" so that smaller vendors will be able to compete. In addition, the Department has commissioned an Availability Study to help identify areas where minority and women-owned businesses exist and the types of services they can provide.

The Department of Procurement Services has partnered with the Department of Business Affairs and Licensing to facilitate educational activities with vendors to address "barriers to entry" as perceived by minority and women-owned businesses. In addition, the Department has co-sponsored workshops and opportunity forums with the Mayor's Office for People with Disabilities, O'Hare Modernization Program ("OMP"), city infrastructure departments and faith based organizations to increase minority and women-owned participation.

The heart of our economic development efforts lies in our ability to utilize capable Local Business Enterprises. Looking ahead, the non-construction arena continues to be where minority and women-owned businesses have the greatest opportunity for growth.

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